

On the Hill

Here's what we're tracking this week for EUCOM.

Bills of Interest:

HR 2003 - Ethiopia Democracy and Accountability Act of 2007

- This bill would encourage and facilitate consolidation of security, human rights, democracy, and economic freedom in Ethiopia. This would include counter terrorism and counter narcotics efforts.
- This bill was introduced in the House and referred to the Committee on Foreign Affairs.
- This bill was received in the Senate and referred to the Committee on Foreign Relations, after passage in the House on October 3.

HR 2228 - Ethiopia Freedom, Democracy and Human Rights Bill

- Closely related to HR 2003 this bill would also encourage the development of Ethiopia while also implementing counter terrorism and counter narcotics efforts.
- This bill was introduced in the House and referred to the Committee on Foreign Affairs.

HR 2446 - Afghanistan Freedom and Security Support Act of 2007

- This bill provides funding for programs to stabilize Afghanistan and counter the drug trade.
- This bill passed the House and was sent to the Senate, which referred it to the Committee on Foreign Relations. Star Print ordered July 17, 2007.

S 3001 - National Defense Authorization Act of 2009 (House version)

- This bill authorizes military activities and programs and DoD-wide programs for 2009.
- The bill was passed by both House and Senate committees, and sent to the White House for Presidential signature September 27, 2008.

HR 2638 - Department of Defense Appropriations Act of 2009

- This bill authorizes Department of Defense activities and programs for FY 2009.
- The bill was attached to the Department of Homeland Security Appropriations Act of 2008 to continue appropriations for Department of Defense activities and programs that would be covered by the regular fiscal year 2009 appropriations bills.

Hearings of Interest:

There are no hearings of interest scheduled for this week.

Whispers from Congress:

Congress is gone...at least for a month. After passing the now-legendary \$700 Billion USD financial rescue package, lawmakers headed out of town and back to their respective states and districts to campaign for upcoming elections. The face of congress could change considerably after November 4th. At this point, Republicans are expected to surrender a number of seats in both chambers. Sources indicate that in the House, between 15 and 25 seats are projected to turn from Red to Blue. In the Senate, the Republicans are expected to lose at least 5 seats. Expect not only the face of the Hill to change in general but the makeup of all the congressional committees as well. Once the elections have concluded, the legislative agenda will largely hinge on who wins the Presidency. In any case, between now and January 2009, expect things in the Capitol Building to be slow from a lawmaking perspective. That said, it remains to be seen what impact the financial rescue bill will have; many have feared it won't do what it is designed to accomplish. Even though the administration and many

congressional members vigorously pushed for its passage, once the bill was signed into law, the market's reaction was rather lukewarm. On Monday, things turned for the worse globally. The reach of the credit crunch extended to Europe and Asia over the last week and markets plummeted across the board over the weekend. This in turn eroded trader confidence and pushed U.S. markets down even further on Monday. Brazil halted trading on Monday and in Russia, where both quickly dropping oil prices and the global financial slowdown have already had a marked impact, trading in one of its largest indexes was halted after it descended 15%. Interestingly, China has not imported any gasoline for a second month in a row, a significant indicator of global economic slowdown. The most important thing to examine is how a period of long-term economic stagnancy will affect other areas of society, particularly in parts of Eastern Europe and Russia. If prolonged, a global recession could easily foster an increase in both organized and street-level criminality. Simply, lowered economic growth equals less government revenue which equals less money for assistance programs and development projects, including projects aimed at curbing transnational crime. While the more industrialized nations in Europe will certainly be affected, developing states will be severely stung. All that being said however, financial confidence in the U.S. could be on the rise again once the Fed and Treasury begin to implement their market stabilization program. A commencement date has not yet been given but work on the plan has already begun. TCG will keep its eye on the markets and congress and will provide any relevant updates as needed.

Inside the Administration

On October 2nd, in Baku Azerbaijan, Deputy Secretary of State John Negroponte delivered a press statement regarding the future of relations between the U.S. and Azerbaijan. Secretary Negroponte stated, "I have come to Azerbaijan this week with a simple message: I am here to reaffirm the United States' commitment to strengthen relations between our two countries - in a spirit of friendship." For obvious reasons, the Caucasus have become a major region of interest within the last several months and Azerbaijan remains on the scope of concern. Secretary Negroponte detailed several of the mutual goals and commitments shared between the U.S. and Azerbaijan. He also detailed the cooperation between the U.S. and Azerbaijan in Iraq and Afghanistan and in securing bilateral energy sources. He added, "We have long been partners in major strategic energy projects that have built links between this region and Europe. Yesterday I had an opportunity to visit the Sangachal Terminal, where I saw firsthand how these Southern Corridor projects are strengthening energy security in Europe and beyond. From the Baku-Tbilisi-Ceyhan oil pipeline to the South Caucasus Gas pipeline, our partnership is deepening as we pursue the Turkey-Greece-Italy and Nabucco natural gas pipelines, as well as expanded oil transit opportunities, thereby diversifying energy supplies in European and global markets." It goes without saying that the strategic value of Azerbaijan energy is of high importance. The country has 7 billion barrels worth of proven oil reserves and 849.5 billion cubic meters of proven natural gas reserves. Additionally, 90% of the country's export commodities are in the form of oil and gas. Unfortunately, the Caucasus are also a hotspot in terms of transnational threat, including narcotics trafficking, human smuggling and extremist activity. Azerbaijan is a significant transit point for opiates from Southwest Asia and is a major crossing point for human smuggling operations. Ethnic Armenian secessionists in Nagorno-Karabakh also remain an ongoing problem. Secretary Negroponte's visit follows an earlier visit by Vice President Cheney but comes in advance of Azerbaijan's presidential elections which are scheduled to be held on October 15th. Considering Russia's interest in the Caucasus, especially Georgia and Chechnya as well as the Ukraine, it is certain that Russia will be keeping its eye on Azerbaijan. That said, considering the negative aftermath of the Russia-Georgia War, it remains to be seen how deeply involved Russia will want to get in any domestic Azerbaijani issue.

Washington Influences

In one of its latest editions of Terrorism Monitor, the Jamestown Foundation has just published a thought-provoking article on the PKK threat to the Baku-Tbilisi-Ceyhan (BTC) pipeline running

through Georgia. Russian President Medvedev recently stated publicly that no ideological grounds for a new Cold War exist between the U.S. and the Kremlin. Nonetheless, the mid-August invasion of Georgia by Russia has brought to light a host of related but often under-reported security concerns. The Caucasus have become a major struggle point for Turkey, Iran, Europe and Russia, with all parties actively seeking influence and footholds in the region, especially in securing energy sources and supply routes. According to the article, an August attack on the BTC pipeline was perpetrated by the Kurdistan Worker's Party (PKK); the former Marxist terror group heavily involved in drug trafficking and responsible for decade's worth of violence in Turkey and Northern Iraq. The BTC pipeline stretches from the Caspian Sea and runs through Azerbaijan, Georgia and Turkey before ending in Turkey's port city of Ceyhan. As energy plays a greater role in geopolitical discourse, economics and alliance-building, it has also increasingly become a more attractive target to various insurgent and terror groups. And not just insurgent groups; Russia attempted to destroy BTC infrastructure during its invasion of Georgia in August. While energy regions in Africa, South America and the Caucasus have always been on the target scope of underground groups, this recent attack by the PKK has added a new dimension to both the threat issue in general and the Georgia-Russia conflict in particular. The article provides a robust examination of PKK interests in the Caucasus, the importance of the region and the BTC pipeline and some interesting food for thought. The article concludes that while the exact motivations of the PKK for attacking the BTC pipeline remain unclear, it may be that in perpetrating these attacks, the PKK was attempting to court a new strategic partner. In this case, the PKK would be trolling for a 'partner' that would look favorably on the disruption of the BTC. The article indicates that Russia may be the partner the PKK is looking for. The suggestion is provocative but not implausible especially given the history of tacit Russian support for the PKK and Russian frustration that the BTC supplies European consumers with non-Russian controlled energy. The circumstances in the region give this theory some legs. First of all, Turkey, Georgia and Azerbaijan, all of which are allied with the U.S., have strained relations with Russia. The PKK, a thorn in Turkey's side and no friend to Iraq or the U.S., may be betting that it can curry favor with Russia by helping to disrupt non-Russian controlled energy sources. The article indicates that, "there are grounds to be concerned that the PKK may be receiving limited international support, though as of yet, no definitive evidence is available." Not yet anyway...while not completely exposed, the situation has all the earmarks of taking more complete shape. The article is correct in pointing out that attacks by the PKK on the BTC mark a new direction for the group. These concerns are especially important in illustrating the increasing diversification of criminal/terror groups and the growing vulnerability of often unstable transit and resource regions. Next week...Russian war-games and the idea of a Russian-led natural gas cartel.

To view the entire article, please access the following link.

<http://www.jamestown.org/terrorism/news/article.php?articleid=2374426>

Around the Corner

South Africa should be watched. Following the internal ousting of President Thabo Mbeki at the end of September, South Africa remains in a state of political flux. The country has in fact recently experienced a number of governmental transformations. The most notable of these is the dissolution of the Scorpions, South Africa's independent counter-organized crime police force; a move which many speculate is politically driven due to the adeptness of the agency and its willingness to target high-level government corruption. President Mbeki, most recently criticized for his seemingly tacit support of Zimbabwean dictator Robert Mugabe, was pushed to resign by his own party, the African National Congress. Mbeki's seat has not yet been filled with the permanent successor, Jacob Zuma, but is being temporarily chaired by Kgalema Motlanthe. Beyond the political upheaval (albeit non-violent political upheaval), South Africa contends with a multitude of internal and external problems that many fear will only grow as time progresses. Earlier this year, the country dealt with violent xenophobic rioting (largely directed against refugees from neighboring Zimbabwe). It also experienced a marked degree of slowed economic growth, rising inflation, increasingly sporadic power output and a crime

rate that is soaring through the roof. In fact, voices from within the country indicate that not only is crime on the rise, but increasingly, criminal perpetrators are becoming wantonly violent. To top it all off, South Africa has also become one of the most significant producers of illicit synthetic drugs, particularly ATS. While the country has always been a major transit point for narcotics, South Africa has seen a dramatic upsurge in domestic production of ATS within the last couple of years. Both outside and official South African sources have noted what appears to be a growth in domestic consumption and abuse of these substances as well. In addition to all of these problems, South Africa is currently contending with considerable amounts of so-called "White-Flight". With increasing amounts of violent crime, unstable politics, shaky electricity supply and economic problems, many South African citizens with the means are simply leaving the country. According to an article published in the International Herald Tribune, since 1996, the black population of South Africa has risen from 31.8 million to 38.5 million while the white population has dropped from 4.8 million to 4.5 million. Much of these shifts are due to higher-income classes simply leaving the country. While some have viewed these moves as being born out of irrational fear, many of South Africa's black population are not happy with the direction the country is heading either. Some folks are highly skeptical of incoming President Zuma, who as late as 2006 was acquitted of rape charges after he claimed his accuser seduced him by dressing provocatively. Even though Zuma is projected to take control of the executive seat, South Africa's parliamentary elections are not scheduled to take place until April of 2009. South Africa has the continent's strongest economy but as has been demonstrated in the recent past, even the most prosperous of African nations can quickly succumb to pressure

[Selected News for EUCOM](#)

- [Nigeria: NDLEA Arrests 5 with 3.471 Kilograms of Cocaine](#)
- [Guinea-Bissau Drugs Sanctions Threat](#)
- [SA Navy Pledges its Readiness](#)
- [Hope Gives Way to Gloom in South Africa](#)

[The Lighter Side](#)

[Quote of the Week](#)

"Great works are performed, not by strength, but by perseverance."
- Samuel Johnson

"Nearly all men can stand adversity, but if you want to test a man's character give him power."
- Abraham Lincoln

[Prediction of the Week](#)

It's destiny... Now that both the Red Sox and the Dodgers were able to survive through to the next round of the MLB playoffs, each team will win their league championship series to reunite disgruntled Manny Ramirez with Boston one last time while securing the second Boston-Los Angeles sports final this year.

[Contact Us](#)

<http://www.charlesgroupdc.com>
info@charlesgroupdc.com